



General Assembly

January Session, 2007

Substitute Bill No. 7100

* _____ HB07100APP _____ 051507 _____ *

AN ACT CONCERNING PROFESSIONAL EMPLOYER ORGANIZATIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2007*) (a) As used in sections 1 to 4,
2 inclusive, of this act:

3 (1) "Commissioner" means the Commissioner of Consumer
4 Protection;

5 (2) "Professional employer organization" means a person engaged in
6 the business of providing professional employer services to other
7 businesses, including management of human resources and employee
8 benefits, including, but not limited to, health insurance, retirement
9 plans and workers' compensation.

10 (b) The following are not professional employer organizations for
11 purposes of sections 1 to 4, inclusive, of this act:

12 (1) Arrangements where a person does not enter into professional
13 employer arrangements as his or her principal business activity, does
14 not hold himself or herself out as a professional employer organization
15 and shares employees with a commonly owned company within the
16 meaning of section 414(b) and (c) of the Internal Revenue Code of 1986,
17 or any subsequent corresponding internal revenue code of the United

18 States, as from time to time amended;

19 (2) Independent contractor arrangements where a person assumes
20 responsibility for a product produced or service performed by such
21 person or such person's agents and retains and exercises primary
22 direction and control over the work performed by individuals whose
23 services are supplied under such arrangements; or

24 (3) The provision of temporary employment services.

25 Sec. 2. (NEW) (*Effective July 1, 2007*) (a) No person acting
26 individually or jointly with any other person shall establish, conduct,
27 operate or maintain a professional employer organization in this state
28 without first obtaining a certificate of registration from the
29 Commissioner of Consumer Protection pursuant to section 3 of this
30 act.

31 (b) A professional employer organization may use the terms or
32 conduct business as a "professional employer organization", "PEO",
33 "staff leasing company", "registered staff leasing company",
34 "administrative employer" or any similar name.

35 Sec. 3. (NEW) (*Effective July 1, 2007*) (a) Any person seeking a
36 certificate of registration as a professional employer organization shall
37 apply to the Commissioner of Consumer Protection, in writing, on a
38 form provided by the commissioner. The application shall include the
39 applicant's name, residence address, business address, business
40 telephone number and such other information as the commissioner in
41 his or her discretion may require, including, but not limited to,
42 minimum working capital requirements and audited financial
43 statements.

44 (b) The fee for a professional employer organization registration is
45 five hundred dollars.

46 Sec. 4. (NEW) (*Effective July 1, 2007*) The Commissioner of Consumer
47 Protection shall adopt regulations, in accordance with chapter 54 of the

48 general statutes, to implement sections 1 to 3, inclusive, of this act
49 regarding the registration and monitoring of professional employer
50 organizations.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	New section
Sec. 2	<i>July 1, 2007</i>	New section
Sec. 3	<i>July 1, 2007</i>	New section
Sec. 4	<i>July 1, 2007</i>	New section

GL *Joint Favorable Subst.*

LAB *Joint Favorable*

APP *Joint Favorable*